

June 2, 2020

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Esperanza Community Housing (ECH) and the People Not Pozos (PNP) campaign thank CalGEM for taking action on March 5, 2020, in issuing the order for AllenCo Energy (AllenCo) to decommission the AllenCo site. We are aware that because AllenCo appealed the order there is a process that must take place to resolve the appeal. The PNP campaign rightfully remains very concerned about the possibility that AllenCo will somehow prevail at their appeal hearing. In addition, we feel that we have virtually no details about the appeal process. For the sake of transparency and inclusion PNP and ECH are respectfully requesting responses and information on the following:

- The community is aware that because of COVID-19 social distancing restrictions the appeal hearing is delayed. Nonetheless, we want general details related to the appeal hearing process, and avenues for community access and participation at the hearing itself. We are requesting all logistical details well in advance of the hearing.
- The community, PNP and ECH will avail ourselves to provide testimony at the appeal hearing. We would like to know if this is possible.
- The community is requesting that the hearing be held in a large enough venue to accommodate hearing officials, any and all members of the community, and AllenCo Interagency members. ECH, and possibly Interagency members, could assist in procuring a location in, or as close to the University Park community as possible.
- In addition to the above considerations we are taking this opportunity to submit a compilation of continued violations (contained in the last part of this letter) by AllenCo that have occurred after the March 5, 2020 order was issued. These are violations related to leaks reported by CalGEM, SCAQMD and LA County FIRE Health Hazmat Division. **The community is strongly urging CalGEM to include this list at the pending appeal hearing.** To include this new list of violations would be consistent with documentation contained in PRC and regulations sections cited in CalGEM's Order to Plug and Abandon Wells, No. 1174, issued to AllenCo Energy on March 5, 2020. These regulations and sections are as follows:

1. Page 4, III., **Statutory and Related Authority**, PRC section 3270, requires CalGEM, by regulation, to prescribe minimum facility maintenance standards for all production facilities in the state. The regulations shall include “other facility or equipment maintenance that the supervisor deems important for the proper operation of production facilities and that the supervisor determines are necessary to prevent damage to life, health, property, and natural resources[.]”
2. Page 5, III., **Statutory and Related Authority**, PRC section 1777, requires, among other things, that Operators maintain production facilities in good condition and in a manner to prevent leakage or corrosion and to safeguard life, health, property, and natural resources.
3. Pages 5 & 6, IV., **Alleged Acts/Omissions**, last paragraph page 5, first paragraph page 6:

AllenCo Energy, Inc. operates the Saint James Drill site, which is an enclosed production facility in the middle of a Los Angeles urban area. The site is adjacent to Mount. St. Mary’s college, homes, churches, businesses, and a school for special-needs children. [Attachment A – Decision and Order, hereby incorporated by reference] Most recent Notices of Violations were issued to AllenCo Energy, Inc. on the following dates: October 15, 2019 [Attachment B – Notice of Violation dated October 15, 2019, hereby incorporated by reference], October 24, 2019 [Attachment C – Notice of Violation dated October 24, 2019, hereby incorporated by reference], November 21, 2019 [Attachment D – Notice of Violation dated November 21, 2019, hereby incorporated by reference], December 13, 2019 [Attachment E – Notice of Violation dated December 13, 2019, hereby incorporated by reference]. The Supervisor has previously found that numerous gas leaks in September and October 2019 pose a safety hazard. [Attachment A – Decision and Order 12:21-23] Multiple gas leaks at multiple locations suggest deteriorating equipment. [Attachment A – 14:3-4] Gas leaks can pose a risk of explosion and fire, since the escaping gasses are flammable. [Attachment A – 17:5-6] Furthermore, gas releases under high pressure pose an ignition hazard. [Attachment A – 17:6-7] The hazards and risks at the facility pose not only a danger to the facility itself, but also the local community. [Attachment A – 16:25-28]

4. Page 7, VI., **Credible Evidence of Desertion, A., The Response or Lack of Response of the Operator to Inquiries and Requests from the Supervisor or District Deputy and the Extent of Compliance by the Operator with the Requirements of this Chapter**

a. Leaks

AllenCo Energy, Inc. has generally attempted to undertake repairs to address minor leaks within a reasonable amount of time. However, some of these leaks reappeared on the same equipment after the initial repair indicating that the initial repair was inadequate.
[Attachment O – Declaration of Chris McCullough]

5. Page 8, VII., **Rebuttable Presumption of Desertion, A. Failure to Comply with Remedial Order No. 1162, (3).**, Repair all well and facility leaks

New list of violations:

- Reported by Los Angeles County Fire Department - Health Hazmat Division: On 3/26/20, a staff inspector reported to Esperanza Community Housing, and also reported at the AllenCo Interagency meeting on 4/1/20 as follows: On August 31, 2017, at a routine hazardous waste inspection. The facility received one Class II violation at the time of inspection. Violation Description: *Failure to maintain and operate the facility to minimize the possibility of a fire, explosion, or any unplanned sudden or non-sudden release of hazardous waste or hazardous waste constituents to air, soil, or surface water which could threaten human health or the environment.* There was oil inside the secondary containment coming from a 25-gallon oil tank located inside the Water Injection Pump Hose that was slowly dripping. This was corrected by 9/1/17.
- Reported by CalGEM at AllenCo Interagency Meeting of 4/1/20: On 3/5/20, during an inspection at AllenCo, CalGem observed a small leak on a wellhead well screw. CalGEM notified SCAQMD.
- Reported by SCAQMD at AllenCo Interagency meeting of 4/1/20: On 3/6/20, during an inspection at AllenCo, SCAQMD verified the leak observed by CalGEM on 3/5/20 and issued a Notice of Violation. At that same inspection, SCAQMD observed 4 more minor leaks and issued a Notice/s to Comply.
- Reported by CalGEM: On 4/16/20, during an inspection at AllenCo CalGEM field engineers, via FLIR camera, observed a "small" leak at a piping connection. The leak was corrected.
- Reported by CalGEM: On 4/23/20, during an inspection at AllenCo CalGEM field engineers, via FLIR camera, observed a "small" leak at a casing valve flange. The leak was corrected.

- Reported by CalGEM: On 5/7/20, at an inspection at AllenCo, CalGEM field engineers noted 2% LEL methane reading over the site with a 4-gas meter. They did not notice any leak during their scan of the site using the FLIR camera. Upwind and off-site (almost a block away) a 3% LEL of methane was noted. According to CalGem, preliminary field data appears to indicate the origin of the leak to be off-site from AllenCo. Field engineers continued evaluating the site. CalGEM notified Rafael Reynosa of SCAQMD and the FIRE Dept. via 911, and were planning to report the leak via SoCalGas' hotline.

That's 10 leaks we are aware of that were not included in CalGEM's March 5, 2020 Order. It would be great if these issues could be addressed at tomorrow's Interagency meeting.

Best regards,

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